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Contact: LuAnn Canipe (202) 225 -3032 or 6089/email: luann.canipe@mail.house.gov

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Washington, D.C. – The U.S. House of Representatives gave final approval today to the Wall Street Reform and Consumer Protection Act to put in place common-sense rules to make sure the practices that brought about the worst economic crisis since the Great Depression never happen again; to make it more difficult for Wall Street to gamble with our money and then ask taxpayers to bail them out; and for the first time, create a new consumer protection agency whose only mission will be to serve as a watchdog to protect people from future abuses.

"This legislation is an historic step in putting government on the side of ordinary Americans," **Rep. Brad Miller (D-NC)** said. "For years, the financial services industry got to write its own rules. Those rules allowed rampant predatory mortgage lending fueled by Wall Street's insatiable appetite for profit. The result was millions of unnecessary home foreclosures and the loss of $17 trillion in retirement savings for innocent families. Americans and small businesses were furious at having to bail out an industry that gouged them. The industry fought tooth and nail for years against sensible rules that may have prevented the economic crisis. With this bill, those days are over and our country can get back to business practices that encourage people to make an honest living."

Highlights of the Wall Street Reform and Consumer Protection Act

§ Creates a new Consumer Financial Protection Bureau (CFPB) to protect families and small businesses by ensuring that bank loans, mortgages, and credit cards are fair, affordable, understandable, and transparent - We currently have rules that keep companies from selling us toasters that burn down our homes. We should have similar rules that bar the financial industry from offering mortgage loans to people who can't afford repayment.

§ Covers Range of Financial Products -The new consumer agency would for the first time extend federal consumer financial protection regulations to the so-called shadow banking system: mortgage-related businesses (lenders, servicers, mortgage brokers, and foreclosure scam operators), payday lenders, and student lenders as well as other non-bank financial companies that are large, such as debt collectors and consumer reporting agencies, would all be subject to CFPB regulation.

§ Enables New Bureau to Act Quickly - With this Bureau on the lookout for bad deals and schemes, consumers won't have to wait for Congress to pass a law to be protected from abusive anti-consumer practices.

§ Creates a Consumer Hotline - consumers will have, for the first time, a single toll-free number to report problems with financial products and services.

§ Establishes Federal Mortgage Lending Rules

§ Requires Lenders Ensure a Borrower's Ability to Repay - Establishes a simple federal standard for all home loans: institutions must ensure that borrowers can repay the loans they are sold.

§ Requires Additional Disclosures for Consumers on Mortgages - Lenders must disclose the maximum a consumer could pay on a variable rate mortgage, with a warning that payments will vary based on interest rate changes.

§ Prohibits Unfair Lending Practices - Prohibits the financial incentives for subprime loans that encourage lenders to steer borrowers into more costly loans, including the bonuses known as "yield spread premiums" that lenders pay to brokers to inflate the cost of loans. Prohibits pre-payment penalties that trapped so many borrowers into unaffordable loans.

§ Establishes Penalties for Irresponsible Lending - Lenders and mortgage brokers who don't comply with new standards will be held accountable by consumers for as high as three-years of interest payments and damages plus attorney's fees (if any). Protects borrowers against foreclosure for violations of these standards.

§ Expands Consumer Protections for High-Cost Mortgages - Expands the protections available under federal rules on high-cost loans -- lowering the interest rate and the points and fee triggers that define high cost loans.

§ Provides Housing Counseling - Establishes an Office of Housing Counseling within HUD to boost homeownership and rental housing counseling.

§ Shuts down "too big to fail" financial firms before risky and irresponsible behavior threatens to bring down the entire economy.

§ Ends costly taxpayer bailouts with new procedures to unwind failing companies that pose the greatest risk. Also eliminates the TARP as of July 1.

§ Imposes tough new rules on the riskiest financial practices that gambled with your money and caused the financial crash, like the credit default swaps that devastated AIG, and common sense regulation of derivatives and other complex financial products. Includes a strong "Volcker rule" that restricts large financial firms with commercial banking operations from trading in speculative investments.

§ Provides tough enforcement and oversight - More enforcement power and funding for the Securities and Exchange Commission, including requiring registration of hedge funds and private equity funds.

§ Enhances oversight and transparency for credit rating agencies whose seal of approval gave way to excessively risky practices that led to a financial collapse.

§ Reins in egregious executive compensation and retirement plans by allowing a 'say on pay' for shareholders, requiring independent directors on compensation committees, and limiting bank executive risky pay practices that jeopardize banks' safety and soundness.

§ Provides protections for grocers, retailers and other small businesses facing out-of-control swipe fees that banks and other credit and debit card issuers charge these businesses for debit or prepaid-card purchases. As a result, merchants stand to save billions.

§ Audits the Federal Reserve's emergency lending programs from the financial crisis and limits the Fed's emergency lending authority.

Rep. Miller wrote and introduced many of the key elements in the Wall Street Reform and Consumer Protection Act including the mortgage lending reform provisions (HR 1728, the Mortgage Reform and Anti-Predatory lending act of 2009 with Rep. Mel Watt and Chairman Barney Frank, first introduced in 2004) and the Consumer Financial Protection provision (first introduced in the House as the Financial Product Safety Commission with Rep. Bill Delahunt).

The following is the complete text of **Rep. Miller's remarks** on the House floor today:

This bill is a huge step forward.

Working and middle-class families should not again have to worry that financial ruin lurks in the fine print of the contract that their bank's lawyer wrote. Families that qualify for prime mortgages that they can pay will not get trapped instead in predatory subprime mortgages that they cannot pay. They can use a credit card without getting gouged, and have overdraft protection that is really the convenience the banks claim it is, rather than a trap to run up indefensible fees.

If this legislation is properly enforced, ordinary Americans can begin to believe that their government is on their side, the side of honest Americans trying to make an honest living.

This legislation is about making our economy work again, not letting honest workers and productive businesses get bled dry by unproductive financial practices.

And this bill is about our values. Our economy depends on our acting in our own self-interest, and enjoying the rewards of our efforts, but every major religious faith forbids unrestrained greed. On the stone tablets that Moses brought down from Mount Sinai there is the commandment "Thou shalt not covet...anything that is thy neighbors."

And according to the First Book of Timothy, "For the love of money is the root of all evil: which while some coveted after, they have erred from the faith, and pierced themselves through with many sorrows."

When Franklin Roosevelt spoke in his first inaugural address of the "practices of unscrupulous money changers," he spoke in language readily recognized by that generation of Americans. Roosevelt spoke of restoring "ancient truths." "The measure of the restoration," Roosevelt said, "lies in the extent to which we apply social values more noble than mere monetary profit."

The financial practices that this legislation seeks to reform have resulted in vulgar profits and compensation for a few Americans, but by taking advantage of working and middle-class families who needed to borrow money and honest investors who wanted to lend it, diverted too much of our economy from productive businesses, and restores the values from which we have erred.

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